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RUEHSG/AMEMBASSY SANTIAGO 0388  
RUEHBR/AMEMBASSY BRASILIA 6646  
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C O N F I D E N T I A L LIMA 001343

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TAGS: PGOV PINR PE

SUBJECT: VIEWS FROM THE CAMPAIGN TRAIL: APRA OUTWARDLY  
CONFIDENT, BUT THERE ARE CHINKS IN ITS ARMOR

REF: LIMA 1277

Classified By: Political Counselor Alexander Margulies. Reason: 1.4(d)

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SUMMARY  
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¶1. (C) APRA party Co-Secretary General (and Congressman) Mauricio Mulder, in a 4/3 lunch with Poloffs, was optimistic that APRA presidential candidate Alan Garcia would outpoll Unidad Nacional's Lourdes Flores and reach the second-round run-off against ultra-nationalist "outsider" Union por el Peru's (UPP) Ollanta Humala. He was also confident that APRA's congressional slate would win a plurality in the next Congress. Mulder's positive assessment of Garcia's chances was based on the expectation that APRA will poll up to 45 percent in the northern coast departments, but our observations indicate that APRA's support in this area falls far short of Mulder's projection. In the second round, Mulder was confident that Flores would back Garcia over Humala. Should Flores make the run-off, Mulder said that APRA's leadership would probably back the Unidad Nacional candidate, but he doubted that more than 40 percent of APRA voters would follow suit. On the Peru Trade Promotion Agreement, Mulder saw little prospect for a congressional vote before the second-round, and thought it possible that the matter would be put off until the next Congress takes office. END SUMMARY.

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ASSESSING APRA'S PROSPECTS  
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¶2. (C) Mulder expressed confidence that Garcia would repeat his 2001 performance and overtake Flores down the stretch. He acknowledged that the APRA candidate's margin could be razor-thin, but insisted that APRA's traditional "hidden vote" (Apristas who do not respond accurately to pollsters due to the party's legacy as a victim of persecution) and/or Garcia's late surge coupled with Flores' steady decline would see him through to the second-round. Mulder thought that there would also be a "hidden vote" for Humala due to inadequate polling in rural areas, but did not/not believe that the same would be true for Flores, discounting Unidad Nacional activists' hopes that rural women will defy their husbands (who prefer Humala) and cast their votes for her.

¶3. (C) Looking at different regions of the country, Mulder claimed that APRA is pretty much where it planned to be at this stage of the campaign. To reach the second round, he explained, Garcia needs to poll 45 percent in the north (APRA's traditional stronghold), 18 percent in Lima, and 15 percent in the south. They were exactly where they needed to be in the first two regions, Mulder said, and were currently around 12 percent in the south. Based on his own first-hand observations in Puno, Mulder continued, Garcia's support was growing there and would eventually reach the amount required.

Flores, he remarked, has no momentum going either in Puno or in the north and seemed to be running out of gas. (COMMENT: Poloff visited the northern coastal cities of Chiclayo and Piura on 4/4-5, and left with the impression that APRA's strength in these regions is at least 10 points lower than Mulder posited, while Flores' campaign in both areas is solid, albeit less than APRA's (Septel). Garcia held a big rally in Puno on 4/5, which was well-attended. END COMMENT).

¶4. (C) Mulder took pride in having been an early advocate within the party of attacking Flores and concentrating less on Humala. Flores has weaknesses, he noted: her campaign lacks charisma; at the most intimate level she has been unable to connect with the basic desires and concerns of the Peruvian people; her congressional list lacks political heavyweights who can effectively campaign for her or counter opponents' attacks; and she opened herself up to criticism as the "candidate of the rich" by naming Arturo Woodman (a business executive closely linked to the Romero Group, Peru's largest conglomerate) as her First Vice President running mate. APRA's strategy of focusing its attacks on Flores will be intensified as the campaigning deadline of 4/6 nears.

¶5. (C) With respect to the congressional race, Mulder thought that APRA would take 10-15 seats in Lima and have the largest legislative bloc in the next Congress. He was confident of securing re-election, and felt that other APRA legislators from Lima seeking to remain in Congress would also emerge victorious, including Mercedes Cabanillas, Jorge del Castillo and, perhaps Cesar Zumaeta. APRA's repeat candidates in the provinces may have a tougher time, he noted, pointing out that some, such as Juan Manuel Figueroa in Cuzco and Luis Gonzales in Ica, face significant opposition within the party. Mulder acknowledged that APRA's twelve Regional Presidents had somewhat undermined the party's standing, but, he noted thankfully, APRA had managed to limit the damage by expelling or disciplining the worst offenders.

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#### SECOND ROUND SCENARIOS

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¶6. (C) Run-off elections in Peru tend to be very volatile, Mulder said, and one should not put much credence in current polls that have shown Humala beating Garcia in a head-to-head race. Nor should one put too much stock in endorsements from candidates who lose in the first round, he advised, as there is no/no guarantee that these losers could influence their erstwhile supporters in the second round. As for Flores, Mulder thought that dealing with Humala would be an anathema to her and her Unidad Nacional followers, who could be counted on to back Garcia. Asked to think the unthinkable and consider the implications of an Humala-Flores run-off, Mulder predicted that the APRA leadership would side with Flores, but that it is unlikely that the leadership could carry more than 40 percent of the party's supporters with them. (Note: The most recent Apoyo poll found that Garcia voters would prefer Flores (48 percent) over Humala (25 percent) in a run-off between the two. See Reftel).

¶7. (C) In a 3/24 meeting with the Ambassador, APRA's other Co-Secretary General, Jorge del Castillo (Mulder's chief political rival within APRA), provided much the same assessment as Mulder: that APRA could support Flores should the latter and not/not Garcia make it to the second round; that APRA's urban electorate would largely follow the leadership's guidance; but that the party's rural supporters

would be much harder to control. Del Castillo also alleged that Unidad Nacional was funding a particularly vicious anti-APRA television spot ostensibly being run by the Independent Moralizing Front (FIM) party (Septel), and that he was planning on calling Flores to warn her that continued airing of the ad would have a negative impact on APRA's willingness to back her should she make the run-off.

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**ALAN GARCIA FEELS HIS AGE**  
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**¶18.** (C) When asked how the 2006 Garcia compares with his performance in previous campaigns, Mulder replied that the APRA candidate is 56 years-old and feels his age. He is no longer the "Caballo Loco" (Crazy Horse) of 1985, a perpetual-motion machine who was determined to be involved in every aspect and decision of the political process. Garcia still keeps up an intense campaign pace, but he tires more easily and has simply refused to expend the energy required for proposed campaign swings through marginal areas like Madre de Dios, Huancavelica and Yungay, even though, Mulder grumbled, these trips could add a couple more seats for APRA in Congress. He added that Garcia's fatigue factor would have to be taken into account in designing a campaign strategy should he make it to the run-off.

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**THOUGHTS ON PTPA APPROVAL**  
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**¶19.** (C) APRA continues to view the Peru Trade Promotion Agreement (PTPA) favorably, Mulder declared, but the party is unwilling to vote on this in Congress until after the final round of presidential balloting. He held out the possibility that the PTPA vote would be reserved for the next Congress, a stance that Mulder has discussed favorably in his public

comments on the issue. If Humala wins the Presidency, he concluded, we can just forget the PTPA completely.

**¶10.** (C) Del Castillo, in his talk with the Ambassador, had a more positive view of PTPA prospects, opining that it would be advisable for President Toledo to sign the agreement between the first and second round of elections, and that this would permit Congress to consider and approve the measure by late-June or July.

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**COMMENT**  
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**¶11.** (C) With less than a week to go before the first round, Mulder appeared content with the state of APRA's campaign and comfortably optimistic that Garcia will make the presidential run-off while his party will win a plurality of Congress. Our recent observations in APRA's supposedly "solid north" suggest that Mulder should be more concerned, as this is the area he and his colleagues are counting on to provide their chief base of support. Should Garcia finish third in the first round, we can expect him to insist on some pretty stiff terms in return for backing Flores in the second round. We understand that influential political and business figures are prepared to press Flores to agree to form a coalition government with APRA in order to bring this about. As for the PTPA, much will depend on the first round outcome. The lower Humala scores, the better the chances that the current Congress will agree to review the accord sooner, rather than later or not at all. END COMMENT.

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